

BEFORE THE OKLAHOMA HORSE RACING COMMISSION
STATE OF OKLAHOMA

IN THE MATTER OF:

Directions from the Oklahoma Horsemen's)
Benevolent and Protective Association, Inc.,)
An Oklahoma Corporation, DBA/ Thoroughbred)
Racing Association of Oklahoma (TRAO), for)
2015 Distribution of Purse Funds from Tribal)
Gaming in the Tulsa Area)

November 1, 2014

I.

INTRODUCTION

Oklahoma law, specifically 3A O.S. Section 263 (K), requires compacted tribes within 20 miles of a racetrack (Fair Meadows at Tulsa) that operate certain games must remit a certain portion of the income from those games to the Oklahoma Horse Racing Commission. Oklahoma law, specifically 3A O.S. Section 263 (L) requires the distribution of those "purse funds" shall be at the direction of the "purse committees", which are the official elected horsemen representatives (TRAO), as designated by particular breeds. The purse committees are to meet and provide direction at least sixty (60) days prior to the beginning of a calendar year pursuant to certain criteria that the purse committees shall "consider and attempt to achieve" in making their directives.

On October 24, 2014, the TRAO purse committee made findings of fact; they have directed the placement of "purse funds" as stated herein.

Directions for placement of "purse funds" are based on the projected gross revenue the TRAO anticipates will be generated for use by the Thoroughbred industry during the calendar year 2015. This method of allocation is not unlike the projection required by the Oklahoma Horse Racing Commission for racetrack organization licensees when they project purses for overnight and stakes races listed in their license applications each year, which are also made without any guarantee of the actual income that will be available at the time of the race meetings.

To encourage growth and development of live Thoroughbred horseracing and breeding in this State, and considering and attempting to achieve all criteria set forth in 3A O.S. Section 263 (L), the TRAO "purse committee", respectfully submits these findings of fact and directions to the Oklahoma Horse Racing Commission for placement and distribution of 2015 "purse funds".

With this document, the TRAO "purse committee" states its objective in directing placement of projected revenue from the "purse fund", and asks the Oklahoma Horse Racing Commission recognize that, in the event the projections are inaccurate, either high or low, for any reason, the TRAO has the right to amend and/or supplement its directions for 2015 "purse fund" distributions.

II.

FINDING OF FACT AND DIRECTION FOR PLACEMENT OF 2013 TULSA AREA
TRIBAL PURSE FUNDS

The TRAO is projecting the total “purse funds” available from the Tulsa Area Tribal Purse Fund (TATPF) to be approximately \$6,333,944. This projected amount is based on twelve (12) \$527,828 monthly deposits into the TATPF. According to statute, fifty percent (50%) of this projected amount, or \$3,166,972 is to be allocated for Thoroughbred purses in Oklahoma.

Oklahoma law, specifically 3A O.S. Section 263 (L), requires purse committees to “consider and attempt to achieve . . . [each purse structure] at a level that is competitive with the purse structures of similarly situated race tracks, including those in surrounding states, and that will encourage the participation by horsemen in that organization licensee’s race meet or meets”. With regard to Thoroughbred racing in Oklahoma, the TRAO purse committees’ goal is to attain the following average purse levels for Thoroughbred races conducted in Oklahoma in calendar year 2015 in part, through the distribution of available “purse funds”. The TRAO recognizes the Thoroughbred purse levels listed below may not yet be sufficient for Oklahoma racetracks to reach the level we hope to ultimately attain, but we do find these purse levels are competitive with similarly situated race tracks in surrounding states, to the extent possible, considering the total amount of revenue our State’s Thoroughbred industry has available. The TRAO also feels these purse levels will continue to encourage participation by the Thoroughbred horsemen who race at each of the meets listed.

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|----------------------|--------------------------------------|
| • Remington Park | \$25,000 Per Race Based on 600 Races |
| • Will Rogers Downs | \$12,000 Per Race Based on 300 Races |
| • Fair Meadows Tulsa | \$8,000 Per Race Based on 165 Races |

(Please See Section III. For Purse Formula)

The TRAO “purse committee” has duly considered the current environment for Thoroughbred racing in Oklahoma and surrounding states and has made extensive evaluation to ensure the placement of said “purse funds” supports the Oklahoma Legislature’s goal to continue the development of the Thoroughbred racing and breeding industries in the State of Oklahoma. The TRAO will periodically instruct the Oklahoma Horse Racing Commission to distribute “purse funds” to the various Thoroughbred purse accounts in an attempt to meet the purse levels shown above.

It should be noted the ability of the Thoroughbred industry to attain the purse levels shown above depends, in part, on the Thoroughbred industry receiving the percent of simulcast-in revenue submitted by the racetracks in their 2015 racing applications.

WHEREFORE, the TRAO, after profound consideration and in an attempt to further cultivate the Thoroughbred breeding and racing industry of Oklahoma, and after meeting the criteria set forth in 3A O.S. Section 263 (L), hereby notifies the Oklahoma Horse Racing Commission of its intent to transfer and distribute 2015 “purse funds” to attain, as closely as possible, the specified purse levels listed in this directive.

PROJECTED PURSE DISTRIBUTION FORMULA

REMINGTON PARK

2015 Projected Gross Thoroughbred Distribution

\$14,985,000 ($\$24,975 \times 600 = \$14,985,000$)

2015 Projected Gross Thoroughbred Pari-Mutuel Revenue

\$3,174,770 ($\$8,698 \times 365 = \$3,174,770$)

2015 Projected Gross Thoroughbred Gaming Revenue

\$11,702,812 ($\$342 \times 750 \times 365 \times 25\% / 2 = \$11,702,812 - 22.50\% = \$9,069,680$)

\$11,702,812 Gaming Revenue + **\$3,174,770** Simulcast Revenue + **\$107,418** *TATPF Supplement*
To achieve **\$24,975** average per race

WILL ROGERS DOWNS

2015 Projected Gross Thoroughbred Distribution

\$3,600,000 ($\$12,000 \times 300 = \$3,600,000$)

2015 Projected Gross Thoroughbred Pari-Mutuel Revenue

\$208,780 ($\$572 \times 365 = \$208,780$)

2015 Projected Gross Thoroughbred Gaming Revenue

\$2,242,012 ($\$182 \times 250 \times 365 \times 27\% / 2 = \$2,242,012 - 20\% = \$1,793,610$)

\$2,242,012 Gaming Revenue + **\$208,780** Simulcast Revenue + **\$1,149,208** *TATPF Supplement*
To achieve **\$12,000** average per race

FAIR MEADOWS TULSA

2015 Projected Gross Thoroughbred Distribution

\$1,360,000 ($\$8,000 \times 170 = \$1,360,000$)

2015 Projected Thoroughbred Pari-Mutuel Revenue

\$985,500 ($\$2,700 \times 365 = \$985,500$)

\$985,500 Simulcast Revenue + **\$374,500** *TATPF Supplement*
To achieve **\$8,000** average per race

TULSA AREA TRIBAL PURSE FUNDS

2015 Projected Gross Thoroughbred Revenue

\$3,166,972 ($\$263,914.33 \times 12 = \$3,166,971.96$)

TATPF purse revenue will be applied to the respective Thoroughbred purse accounts throughout Oklahoma in an attempt to attain the above mentioned purse levels for Thoroughbreds participating in Oklahoma racing for the calendar year 2015.

Remington Park	\$107,418 (TATPF)
Will Rogers	\$1,149,208 (TATPF)
Fair Meadows	\$374,500 (TATPF)

The total distribution out of the TATPF:
\$1,631,126 (projected)

Difference of **\$1,535,846 (projected)**

TATPF purse revenue will be applied to the respective Thoroughbred purse accounts throughout Oklahoma in an attempt to attain the above mentioned purse levels for Thoroughbreds participating in Oklahoma racing for the calendar year 2015.

With the instability of revenue for the last several years, the TRAO is confident the commission will recognize this is merely a projection. The TRAO purse committee may require adjusting the purse structure while purse money is generated at the respective tracks.



Danielle Barber, Executive Director
Thoroughbred Racing Association of Oklahoma